

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Georgetown Charter Township	County Ottawa
Audit Date 12/31/05	Opinion Date 1/27/06	Date Accountant Report Submitted to State: 3/18/06	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Kiekover, Scholma & Shumaker, PC			
Street Address 205 East Main Street	City Zeeland	State MI	ZIP 49464
Accountant Signature <i>Kiekover, Scholma & Shumaker, PC</i>		Date 3/18/06	

GEORGETOWN CHARTER TOWNSHIP
OTTAWA COUNTY, MICHIGAN
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2005

KIEKOVER, SCHOLMA & SHUMAKER, PC
Certified Public Accountants
Zeeland, Michigan

Georgetown Charter Township, Michigan
ANNUAL FINANCIAL REPORT
Year Ended December 31, 2005

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INDEPENDENT AUDITOR'S REPORT

January 27, 2006

Township Board
Georgetown Charter Township, Michigan
Jenison, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Georgetown Charter Township, Michigan, as of and for the year ended December 31, 2005, which collectively comprise the township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Georgetown Charter Township, Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Georgetown Charter Township, Michigan, as of December 31, 2005 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages II through VII and 23 through 26, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Georgetown Charter Township, Michigan's basic financial statements. The combining nonmajor fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kiekover, Scholma & Shumaker, PC

Georgetown Charter Township, Michigan

Management's Discussion and Analysis

As management of Georgetown Charter Township, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with the Township's financial statements that follow this section.

Financial Highlights

- The assets of Georgetown Charter Township exceeded its liabilities at the close of the most recent fiscal year by \$74,503,819 (*net assets*). Of this amount, \$8,478,736 (*unrestricted net assets*) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net assets increased by \$5,253,888. Capital assets increased by \$2,673,143, while restricted net assets increased by \$12,514 and unrestricted net assets increased by \$2,568,231.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$4,883,886, an increase of \$1,748,801 in comparison with the prior year. Approximately 72% of this total amount, \$3,531,950 is *available for spending* at the Township's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$3,351,950 or 66% of total general fund expenditures and transfers out.
- At December 31, 2005 the Township has no outstanding long-term obligations.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Georgetown Charter Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business and, therefore, are prepared using the accrual basis of accounting. These statements provide a longer term view of the Township's finances and whether taxpayers have funded the full cost of providing government services. The first two statements are government-wide and include the following:

- The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.
- The *statement of activities* presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and state shared revenues and earned but unused sick leave).

Both of the government-wide financial statements distinguish functions of Georgetown Charter Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, economic development, and recreation and culture. The business-type activities of the Township include of water and sewer disposal systems and an ice arena currently under construction.

The government-wide financial statements can be found on pages 1-3 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Georgetown Charter Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report the Township's operations in more detail than the government-wide financial statements. These statements present a short-term view and tell how taxpayer resources were spent during the year. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements tell how general government services like public safety were financed in the short term as well as what remains for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Township's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Georgetown Charter Township maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Library Fund, both of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its general and library funds. Budgetary comparison schedules have been provided for the general fund and library fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 4-6 of this report.

Proprietary funds. Georgetown Charter Township maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses enterprise funds to account for its water and sewer disposal systems operations and ice arena operations.

Proprietary funds provide the same type of information as the government-wide financial statements, but provide more detail and information, such as cash flows. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and Ice Arena Fund, both of which are considered to be major funds of Georgetown Charter Township.

The basic proprietary fund financial statements can be found on pages 7-9 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Georgetown Charter Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 10-11 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-22 of this report.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain *required supplementary information* presenting budgetary comparisons for the Township's general and library funds found on pages 23 to 26.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining fund statements can be found on pages 27-28 of this report.

Immediately following the combining fund statements is a statistical section, which provides certain information pertaining to government revenues, expenditures, tax revenues and collections, demographic, and other statistical data.

Financial Analysis of the Township as a Whole

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Georgetown Charter Township, assets exceeded liabilities by \$74.5 million at the close of the fiscal year ended December 31, 2005.

The largest portion of the Township's net assets (87%) reflects its investment in capital assets. The Township uses capital assets to provide services to citizens; accordingly, these assets are not available for future spending.

Restricted net assets of the Township totaled \$.95 million and are reported in the governmental activities. These net assets have limits on their use that are externally imposed by restrictions such as enabling legislation or grantor restrictions. These resources can only be used for the specific purposes for which they were intended, such as expenditures for senior services and cemetery perpetual care. The remaining unrestricted net assets (\$8.5 million) may be used to meet the Township's ongoing operations.

The following table shows, in a condensed format, the net assets of Georgetown Charter Township as of December 31, 2005 and 2004.

TABLE 1 - Georgetown Charter Township's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 8,561,078	\$ 6,659,865	\$ 4,580,471	\$ 3,764,327	\$ 13,141,549	\$ 10,424,192
Capital assets	16,441,069	16,716,687	48,632,078	45,683,317	65,073,147	62,400,004
Total assets	25,002,147	23,376,552	53,212,549	49,447,644	78,214,696	72,824,196
Long-term debt outstanding	-	-	-	-	-	-
Other liabilities	3,182,847	3,012,378	528,030	561,887	3,710,877	3,574,265
Total liabilities	3,182,847	3,012,378	528,030	561,887	3,710,877	3,574,265
Net assets:						
Invested in capital assets, net of related debt	16,441,069	16,716,687	48,632,078	45,683,317	65,073,147	62,400,004
Restricted	951,936	939,422	-	-	951,936	939,422
Unrestricted	4,426,295	2,708,065	4,052,441	3,202,440	8,478,736	5,910,505
Total net assets	\$ 21,819,300	\$ 20,364,174	\$ 52,684,519	\$ 48,885,757	\$ 74,503,819	\$ 69,249,931

As shown in Table 2 (changes in net assets), the Township's total revenues were approximately \$17.8 million for the current year, of which 15.2% was obtained from property taxes. Fees charged for services accounted for another 42.0% of the total, State shared revenues 16.9%, and capital grants and contributions (mostly in the form of water and wastewater hook-ups and developer contributions of systems) another 23.5%. The balance of the Township's revenues was primarily derived from interest earnings and other sources. The total cost of all programs and services at December 31, 2005 was \$12.6 million. Township expenses cover a wide range of services. For the current fiscal year, about 26.6% of the Township's expenses related to public safety and public works, 11.2% related to recreation and culture, and 47.8% related to the provision of water and sewer services.

Net assets increased by \$1.5 million for the Township's governmental activities. Net assets for business-type activities increased by \$3.8 million during the year, with the investment in capital assets increasing by \$2.9 million.

The following analysis highlights the changes in net assets for the years ended December 31, 2005 and 2004:

TABLE 2 - Georgetown Charter Township's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Program revenues						
Charges for services	\$ 1,033,955	\$ 1,033,793	\$ 6,453,078	\$ 4,756,015	\$ 7,487,033	\$ 5,789,808
Operating grants and contributions	79,336	91,557	-	-	79,336	91,557
Capital grants and contributions	-	-	4,180,027	2,544,340	4,180,027	2,544,340
General revenues						
Property taxes	2,716,623	2,822,024	-	-	2,716,623	2,822,024
State shared revenues	3,011,454	2,947,307	-	-	3,011,454	2,947,307
Interest	152,519	60,014	145,563	83,539	298,082	143,553
Other revenue	42,813	321,875	-	-	42,813	321,875
Total revenues	<u>7,036,700</u>	<u>7,276,570</u>	<u>10,778,668</u>	<u>7,383,894</u>	<u>17,815,368</u>	<u>14,660,464</u>
Program expenses						
General government	807,890	860,655	-	-	807,890	860,655
Public safety	2,107,295	2,066,577	-	-	2,107,295	2,066,577
Public works	1,240,572	1,294,433	-	-	1,240,572	1,294,433
Community and economic development	51,176	60,512	-	-	51,176	60,512
Recreation and culture	1,413,541	1,266,169	-	-	1,413,541	1,266,169
Water and sewer	-	-	6,024,488	5,086,215	6,024,488	5,086,215
Ice arena	-	-	955,418	675,841	955,418	675,841
Total expenses	<u>5,620,474</u>	<u>5,548,346</u>	<u>6,979,906</u>	<u>5,762,056</u>	<u>12,600,380</u>	<u>11,310,402</u>
Change before contributions and transfers	<u>1,416,226</u>	<u>1,728,224</u>	<u>3,798,762</u>	<u>1,621,838</u>	<u>5,214,988</u>	<u>3,350,062</u>
Contributions to permanent funds	38,900	42,770	-	-	38,900	42,770
Transfers in (out)	-	(2,536,200)	-	2,536,200	-	-
Change in net assets	<u>\$ 1,455,126</u>	<u>\$ (765,206)</u>	<u>\$ 3,798,762</u>	<u>\$ 4,158,038</u>	<u>\$ 5,253,888</u>	<u>\$ 3,392,832</u>

Financial Analysis of the Township's Funds

Governmental Funds - Our analysis of the Township's major funds begins on page 4, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages, grants, contributions or capital projects. The Township's major funds for 2005 consist of the General Fund and Library Fund.

The General Fund is the main operating fund of the Township. Total General Fund revenues and other financing sources for fiscal year 2005 decreased by \$294,956 or 4.2%. Property tax revenues decreased by \$105,401 or 3.7%. State shared revenues increased by \$37,034 or 1.2%. Revenues from licenses and permits decreased by \$5,607 or 1.4%. Interest earnings increased by \$92,505 or 154%. Other financing sources decreased by \$290,172 mainly due to lack of proceeds from the sale of capital assets as were recognized in 2004.

General Fund expenditures increased in 2005 by \$528,890 or 13.5%. General government expenditures decreased by \$117,557 due to lower expenditures for elections and capital outlay. Public Safety expenditures increased by \$405,978 mainly due to the purchase of a new fire truck and related equipment. Public Works expenditures increased by \$191,139 due to increased expenditures for roads and sidewalks.

The Township expended approximately \$640,000 for construction of various road and sidewalk projects. These public works improvements were financed by General Fund appropriations.

The December 31, 2005 fund balance of the general fund is \$3,751,326 of which \$3,351,326 is unreserved. The unreserved fund balance increased by \$1,652,716 from the prior year. The \$3,751,326 unreserved fund balance is approximately 66% of 2005 expenditures and operating transfers to other funds which amounted to \$5,045,198.

The Library Fund is used to account for state revenue sharing, library penal fines, other revenues and transfers from the General Fund for library operating purposes. Revenues increased by \$13,080 or 5.24%, while transfers from the General Fund increased by \$101,834 or 23.2%. Expenditures increased by \$44,937 or 6.70%. The Library Fund fund balance at December 31, 2005 totaled \$180,624.

Proprietary Funds - Georgetown Charter Township's proprietary funds provide the same type of information found in the government-wide financial statements (business-type activities) but in more detail. The Township's proprietary funds are comprised of the Water/Sewer Fund and the Ice Arena Fund. Water and Sewer user consumption rates were not increased by 25% and 12.5%, respectively, effective April 1, 2005. The Ice Arena was completed in June of 2004 and had its first full year of operation in 2005.

Operating revenues for the Water and Sewer Fund decreased in fiscal year 2005 by \$1,431,820 from \$4,298,863 to \$5,730,683 due to increased consumption and the afore mentioned increase in rates. Operating expenses, including depreciation, increased in fiscal year 2005 by \$938,273 from \$5,086,215 to \$6,024,488 mainly due to the increased cost for water consumed. Capital contributions increased by \$1,635,687 from \$2,544,340 to \$4,180,027. Unrestricted net assets of the Water and Sewer Fund were \$4,331,898 at December 31, 2005. The Water and Sewer Fund had a total increase in net assets of \$4,031,785.

During fiscal year 2005, the Township added approximately \$4.2 million of capital assets to its water and sewer systems, including approximately \$2.4 million of capital assets contributed by developers.

The Ice Arena Fund began operation in July 2004. In 2005 total operating revenues were \$722,395, an increase of \$265,243 and total operating expenses, including depreciation, were \$955,418, an increase of \$279,577. Unrestricted net assets (deficit) of the Ice Arena Fund were \$(279,457) at December 31, 2005. The Ice Arena Fund had a total decrease in net assets of \$233,023.

General Fund Budgetary Highlights

Over the course of the year, the Township Board amended the budget to take into account events during the year. However, there were no significant changes to budgeted revenues or expenditures during the year.

Capital Asset and Debt Administration

At the end of 2005, the Township had \$65,073,147 invested in a broad range of capital assets, including buildings, fire equipment, park land and improvements, bike paths, roads, drains, an ice arena, and water and sewer lines. The Township's investment in roads and drains within the Township are recorded as intangible assets (shared street improvements and flowage rights). Although paid for by the Township, Michigan law makes these assets property of the County (along with the responsibility to maintain them).

At December 31, 2005, the Township had no long-term debt.

Economic Factors and Next Year's Budgets and Rates

The Township's budget for 2006 calls for no change in the overall property tax rate of 2.25 mills. This can be accomplished because of the tax base growth. Because of the impact of Proposal A, however, the Township needs to continue to watch its budget very closely. The state-wide tax reform act limits growth in taxable value on any individual property to the lesser of inflation or 5%. Because some properties increase in value by less than inflation, the mathematical result of this is that the total taxable value for the Township will grow less than by inflation, before considering new property additions.

The Township plans to continue maintenance and improvement of its general infrastructure, including annual improvements to roads, drains, and bike paths. The 2006 budget provides for about \$1.5 million in General Fund appropriations for these initiatives.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township's finance director.

Basic Financial Statements

Georgetown Charter Township, Michigan
STATEMENT OF NET ASSETS
December 31, 2005

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and investments	\$ 6,044,195	\$ 3,955,279	\$ 9,999,474
Receivables:			
Taxes	1,502,326	-	1,502,326
Accounts	27,339	324,552	351,891
Interest	99,443	-	99,443
Due from other governments	487,775	-	487,775
Internal balances	400,000	(400,000)	-
Inventories	-	120,758	120,758
Assessments receivable	-	579,882	579,882
Capital assets	<u>16,441,069</u>	<u>48,632,078</u>	<u>65,073,147</u>
 Total Assets	 <u>25,002,147</u>	 <u>53,212,549</u>	 <u>78,214,696</u>
 LIABILITIES			
Accounts payable and accruals	311,842	528,030	839,872
Deferred revenue	<u>2,871,005</u>	<u>-</u>	<u>2,871,005</u>
 Total Liabilities	 <u>3,182,847</u>	 <u>528,030</u>	 <u>3,710,877</u>
 NET ASSETS			
Invested in capital assets, net of related debt	16,441,069	48,632,078	65,073,147
Restricted for:			
Senior center	34,610	-	34,610
Perpetual care - nonexpendable	917,326	-	917,326
Unrestricted	<u>4,426,295</u>	<u>4,052,441</u>	<u>8,478,736</u>
 Total Net assets	 <u>\$ 21,819,300</u>	 <u>\$ 52,684,519</u>	 <u>\$ 74,503,819</u>

Georgetown Charter Township, Michigan
STATEMENT OF ACTIVITIES
Year Ended December 31, 2005

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Function/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 807,890	\$ 630,497	\$ -	\$ -
Public safety	2,107,295	105,129	-	-
Public works	1,240,572	-	-	-
Community and economic development	51,176	17,350	-	-
Recreation and culture	1,413,541	280,979	79,336	-
Total governmental activities	<u>5,620,474</u>	<u>1,033,955</u>	<u>79,336</u>	<u>-</u>
Business-type activities:				
Water and sewer	6,024,488	5,730,683	-	4,180,027
Ice arena	955,418	722,395	-	-
Total business-type activities	<u>6,979,906</u>	<u>6,453,078</u>	<u>-</u>	<u>4,180,027</u>
Total Primary Government	<u>\$ 12,600,380</u>	<u>\$ 7,487,033</u>	<u>\$ 79,336</u>	<u>\$ 4,180,027</u>

General revenues:

- Property taxes
- State shared revenues
- Interest
- Gain on sale of capital assets
- Other
- Contributions to permanent funds
- Total General Revenues,
- Contributions and Transfers

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

Net (Expense) Revenue
and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ (177,393)	\$ -	\$ (177,393)
(2,002,166)	-	(2,002,166)
(1,240,572)	-	(1,240,572)
(33,826)	-	(33,826)
<u>(1,053,226)</u>	<u>-</u>	<u>(1,053,226)</u>
<u>(4,507,183)</u>	<u>-</u>	<u>(4,507,183)</u>
-	3,886,222	3,886,222
-	<u>(233,023)</u>	<u>(233,023)</u>
-	<u>3,653,199</u>	<u>3,653,199</u>
<u>(4,507,183)</u>	<u>3,653,199</u>	<u>(853,984)</u>
2,716,623	-	2,716,623
3,011,454	-	3,011,454
152,519	145,563	298,082
1,678	-	1,678
41,135	-	41,135
<u>38,900</u>	<u>-</u>	<u>38,900</u>
<u>5,962,309</u>	<u>145,563</u>	<u>6,107,872</u>
1,455,126	3,798,762	5,253,888
<u>20,364,174</u>	<u>48,885,757</u>	<u>69,249,931</u>
<u>\$21,819,300</u>	<u>\$52,684,519</u>	<u>\$ 74,503,819</u>

Georgetown Charter Township, Michigan
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2005

	General	Library	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 4,884,292	\$ 220,940	\$ 938,963	\$ 6,044,195
Receivables:				
Taxes	1,502,326	-	-	1,502,326
Accounts	8,015	-	19,324	27,339
Interest	99,443	-	-	99,443
Advances to other funds	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>400,000</u>
 Total Assets	 <u>\$ 6,894,076</u>	 <u>\$ 220,940</u>	 <u>\$ 958,287</u>	 <u>\$ 8,073,303</u>
LIABILITIES				
Accounts payable and accruals	\$ 265,175	\$ 40,316	\$ 6,351	\$ 311,842
Deferred revenue	<u>2,877,575</u>	<u>-</u>	<u>-</u>	<u>2,877,575</u>
 Total Liabilities	 <u>3,142,750</u>	 <u>40,316</u>	 <u>6,351</u>	 <u>3,189,417</u>
FUND BALANCES				
Reserved for senior center	-	-	34,610	34,610
Reserved for perpetual care - nonexpendable	-	-	917,326	917,326
Reserved for advances	400,000	-	-	400,000
Unreserved	<u>3,351,326</u>	<u>180,624</u>	<u>-</u>	<u>3,531,950</u>
 Total Fund Balances	 <u>3,751,326</u>	 <u>180,624</u>	 <u>951,936</u>	 <u>4,883,886</u>
 Total Liabilities and Fund Balances	 <u>\$ 6,894,076</u>	 <u>\$ 220,940</u>	 <u>\$ 958,287</u>	
 Amount reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and are not reported in the funds:				
General capital assets				8,868,135
Infrastructure assets				7,572,934
State shared revenues (sales taxes) collected and held by the State at year end are not considered available to pay for current year expenditures				487,775
Special assessments receivable are expected to be collected over several years and are not available to pay for current year expenditures				<u>6,570</u>
Net Assets of Governmental Activities				<u>\$ 21,819,300</u>

Georgetown Charter Township, Michigan
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2005

	General	Library	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 2,716,623	\$ -	\$ -	\$ 2,716,623
Licenses and permits	397,552	-	-	397,552
State grants	-	-	41,450	41,450
State shared revenues	3,022,146	37,886	-	3,060,032
Charges for services	129,330	19,122	100,763	249,215
Fines and forfeitures	101,328	194,119	-	295,447
Interest	152,519	-	35,741	188,260
Other	130,353	12,521	525	143,399
Total Revenues	<u>6,649,851</u>	<u>263,648</u>	<u>178,479</u>	<u>7,091,978</u>
Expenditures:				
Current:				
General government	727,179	-	-	727,179
Public safety	2,302,107	-	-	2,302,107
Public works	973,932	-	-	973,932
Community and economic development	51,176	-	-	51,176
Recreation and culture	395,051	720,077	175,333	1,290,461
Total Expenditures	<u>4,449,445</u>	<u>720,077</u>	<u>175,333</u>	<u>5,344,855</u>
Excess of Revenues Over (Under) Expenditures	<u>2,200,406</u>	<u>(456,429)</u>	<u>3,146</u>	<u>1,747,123</u>
Other Financing Sources:				
Operating transfers in	46,385	540,000	55,753	642,138
Operating transfers out	(595,753)	-	(46,385)	(642,138)
Sale of capital assets	1,678	-	-	1,678
Total Other Financing Sources (Uses)	<u>(547,690)</u>	<u>540,000</u>	<u>9,368</u>	<u>1,678</u>
Net Change in Fund Balances	<u>1,652,716</u>	<u>83,571</u>	<u>12,514</u>	<u>1,748,801</u>
Fund Balances - January 1	<u>2,098,610</u>	<u>97,053</u>	<u>939,422</u>	<u>3,135,085</u>
Fund Balances - December 31	<u>\$ 3,751,326</u>	<u>\$ 180,624</u>	<u>\$ 951,936</u>	<u>\$ 4,883,886</u>

Georgetown Charter Township, Michigan
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2005

Net change in fund balances-Total Governmental Funds \$ 1,748,801

Amounts reported for the governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; in the statement of activities these costs are allocated over their estimated useful lives as depreciation:

Current year capital outlays capitalized - general capital assets	374,715
Current year capital outlays capitalized - infrastructure capital assets	631,592
Current year depreciation expense on capitalized assets	(1,281,925)

Timing of revenue recognition differs in the statement of activities versus the funds financial statements for certain revenues that do not provide current financial resources

State shared revenues	(10,692)
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Special assessment revenues are recorded in the statement of activities when the assessment is set; they are not recorded in the funds until collected or collectible within 60 days of year end (7,365)

Change in net assets of governmental activities \$ 1,455,126

Georgetown Charter Township, Michigan
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2005

	Enterprise Funds		
	Water and Sewer	Ice Arena	Total
ASSETS			
Current Assets:			
Cash and investments	\$ 3,937,669	\$ 17,610	\$ 3,955,279
Accounts receivable	317,065	7,487	324,552
Inventories	-	120,758	120,758
Total Current Assets	<u>4,254,734</u>	<u>145,855</u>	<u>4,400,589</u>
Noncurrent Assets:			
Assessments receivable	579,882	-	579,882
Capital assets	<u>40,617,733</u>	<u>8,014,345</u>	<u>48,632,078</u>
Total Noncurrent Assets	<u>41,197,615</u>	<u>8,014,345</u>	<u>49,211,960</u>
Total Assets	<u>45,452,349</u>	<u>8,160,200</u>	<u>53,612,549</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accruals	502,718	25,312	528,030
Noncurrent Liabilities:			
Advances from other funds	-	400,000	400,000
Total Liabilities	<u>502,718</u>	<u>425,312</u>	<u>928,030</u>
NET ASSETS			
Invested in capital assets, net of related debt	40,617,733	8,014,345	48,632,078
Unrestricted	<u>4,331,898</u>	<u>(279,457)</u>	<u>4,052,441</u>
Total Net Assets	<u>\$ 44,949,631</u>	<u>\$ 7,734,888</u>	<u>\$ 52,684,519</u>

Georgetown Charter Township, Michigan
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2005

	Enterprise Funds		
	Water and Sewer	Ice Arena	Total
Operating Revenues:			
Water sales	\$ 3,005,701	\$ -	\$ 3,005,701
Sewage disposal service	2,470,577	-	2,470,577
Ice arena rentals and programs	-	558,414	558,414
Ice arena pro shop and concessions sales	-	163,680	163,680
Other revenues	254,405	301	254,706
Total Operating Revenues	<u>5,730,683</u>	<u>722,395</u>	<u>6,453,078</u>
Operating Expenses:			
Cost of water	2,192,310	-	2,192,310
Cost of sewage disposal	1,624,360	-	1,624,360
Cost of pro shop and concessions sales	-	107,952	107,952
Operation and maintenance	546,142	324,536	870,678
General and administrative	584,699	297,098	881,797
Depreciation	1,076,977	225,832	1,302,809
Total Operating Expenses	<u>6,024,488</u>	<u>955,418</u>	<u>6,979,906</u>
Operating Income (Loss)	(293,805)	(233,023)	(526,828)
Nonoperating Revenues (Expenses)			
Interest income	<u>145,563</u>	<u>-</u>	<u>145,563</u>
Income (Loss) Before Contributions and Transfers	(148,242)	(233,023)	(381,265)
Capital contributions	<u>4,180,027</u>	<u>-</u>	<u>4,180,027</u>
Change in Net Assets	4,031,785	(233,023)	3,798,762
Net Assets - January 1	<u>40,917,846</u>	<u>7,967,911</u>	<u>48,885,757</u>
Net Assets - December 31	<u>\$ 44,949,631</u>	<u>\$ 7,734,888</u>	<u>\$ 52,684,519</u>

Georgetown Charter Township, Michigan
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2005

	Enterprise Funds		
	Water and Sewer	Ice Arena	Total
Cash Flows From Operating Activities:			
Receipts from customers	\$ 5,571,404	\$ 714,907	\$ 6,286,311
Payments to suppliers	(4,423,337)	(571,184)	(4,994,521)
Payments to employees	(408,784)	(236,527)	(645,311)
Net Cash Provided (Used) By Operating Activities	<u>739,283</u>	<u>(92,804)</u>	<u>646,479</u>
Cash Flows From Capital and Related Financing Activities:			
Capital contributions	1,657,825	-	1,657,825
Construction and purchase of capital assets	<u>(1,887,634)</u>	<u>-</u>	<u>(1,887,634)</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(229,809)</u>	<u>-</u>	<u>(229,809)</u>
Cash Flows From Investing Activities:			
Interest received on investments	<u>145,563</u>	<u>-</u>	<u>145,563</u>
Net Increase (Decrease) in Cash and Investments	655,037	(92,804)	562,233
Cash and Investments - January 1	<u>3,282,632</u>	<u>110,414</u>	<u>3,393,046</u>
Cash and Investments - December 31	<u>\$ 3,937,669</u>	<u>\$ 17,610</u>	<u>\$ 3,955,279</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities:			
Operating income (loss)	(293,805)	\$ (233,024)	\$ (526,829)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,076,977	225,832	1,302,809
Change in assets and liabilities:			
Receivables	(71,656)	(7,487)	(79,143)
Inventories	-	(16,501)	(16,501)
Accounts payable and accruals	<u>27,767</u>	<u>(61,624)</u>	<u>(33,857)</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 739,283</u>	<u>\$ (92,804)</u>	<u>\$ 646,479</u>
Noncash capital financing activities:			
Contribution of capital assets from developers	<u>\$ 2,363,935</u>	<u>\$ -</u>	<u>\$ 2,363,935</u>

Georgetown Charter Township, Michigan
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2005

		Agency Fund Type	
	Retirement Benefit	Tax Collection	Escrow Deposit
ASSETS			
Cash and investments	<u>\$ 99,258</u>	<u>\$ 1,604,603</u>	<u>\$ 18,311</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 18,311
Due to other governments	<u>-</u>	<u>1,604,603</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>\$ 1,604,603</u>	<u>\$ 18,311</u>
NET ASSETS			
Held in Trust for Post Retirement Benefits	<u>\$ 99,258</u>		

Georgetown Charter Township, Michigan
STATEMENT OF CHANGES FIDUCIARY IN NET ASSETS
FIDUCIARY FUNDS
Year Ended December 31, 2005

	<u>Retirement Benefit</u>
ADDITIONS	
Employer contributions	\$ 9,100
Investment earnings:	
Interest	<u>3,522</u>
Total Additions	12,622
DEDUCTIONS	
Retirees' hospitalization	<u>19,867</u>
Change in Net Assets	(7,245)
Net Assets - January 1	<u>106,503</u>
Net Assets - December 31	<u><u>\$ 99,258</u></u>

Georgetown Charter Township, Michigan
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Georgetown Charter Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Georgetown Charter Township:

A. Reporting Entity

Georgetown Charter Township is governed by an elected seven-member board of trustees. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the township's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Blended Component Unit. The township has no blended component units.

Discretely Presented Component Unit. The township has no discretely presented component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. (Georgetown Charter Township has no such component units.)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue, and charges for services. Sales taxes (state shared revenues) collected and held by the State at year end on behalf of the township and paid to the township at the end of the following February are recognized as revenue in the year received. Such amounts are not normally received within 60 days of the current fiscal year and are budgeted for use by the township in the year received. Other revenue is recorded when received.

The township reports the following major governmental funds:

General Fund

The General Fund is the township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Library (Special Revenue) Fund:

The Library Fund accounts for restricted state revenue sharing, library penal fines, other revenues and transfers from the general fund used for library purposes.

The government reports the following major proprietary funds:

Water and Sewer Fund

This fund is used to account for the operation and maintenance of a water distribution system, including storage tanks, pumping stations, distribution mains and services and related equipment. Water is purchased from the City of Wyoming for storage and distribution to the township's customers.

This fund also accounts for the operation and maintenance of a wastewater collection system. The township contracts for wastewater treatment services through the City of Grandville Wastewater Treatment Plant.

Ice Arena Fund

This fund is used to account for the construction, operation, and maintenance of a township owned ice arena which opened for operation in 2004. The ice arena is available for use by the general public.

Additionally, the government reports the following fund types:

Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Permanent Fund

The Permanent Fund accounts for assets held by the township pursuant to a trust agreement. The principle portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds (Not included in government-wide statements)

Agency Funds

Agency Funds account for assets held by the township in a purely custodial capacity. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations.

Retirement Benefit Fund

The Retirement Benefit Fund accounts for monies received for and payment of post-employment health care benefits.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The township has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the township's water and sewer function and various other functions of the township. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the township's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Bank Deposits and Investments.

The township pools cash resources of its various funds to facilitate the management of cash. The balances in the pooled cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest bearing securities and disclosed as part of the township's investments. The Perpetual Care Fund and Escrow Deposit Fund maintain accounts on a separate basis outside of the combined cash management pool.

For purposes of the statement of cash flows, the proprietary funds type considers all transactions within the township's pooled cash accounts to be cash and cash equivalents.

Investments are recorded at fair value. Interest income earned by the pool is allocated by capturing the average daily balance of each individual fund relative to the average daily balance of all funds participating in the pool.

2. Receivables and Payables.

In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

3. Inventories and Prepaid Items.

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are not material and are recorded as expenditures when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets.

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 (\$20,000 for business-type activities) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year \$0 of interest expense was capitalized as part of the cost of assets under construction.

Included in capital assets are the township’s investment in roads and drains within the township that are recorded as intangible assets (shared road improvements and flowage rights). Although paid for by the township, Michigan law makes these assets property of the County (along with the responsibility to maintain them).

Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	40
Water and Sewer Lines	50
Roads (shared road improvements)	15
Drains (flowage rights)	15
Vehicles	5-20
Office furniture and equipment	5

5. Compensated Absences.

It is the township’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for sick leave since the township does not have a policy to pay amounts when the employees separate from service from the township. If material, all vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only for employee terminations at year-end.

6. Long-Term Obligations.

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

E. Property Taxes

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Real and personal property taxes are collected without additional charge through February 14. The township continues to collect taxes until March 1, at which time the delinquent real property taxes are returned to the county for collection. Taxes returned delinquent to the county treasurer are subject to penalty and interest. The county's policy has been to pay the township for all delinquent real property taxes returned. The township continues to collect delinquent personal property taxes.

Although the township's 2004 ad valorem tax is levied and collectible on December 1, 2004, it is the township's policy to recognize revenue from this levy in the year ended December 31, 2005, when the proceeds of this levy are budgeted and made available for the financing of operations.

The 2004 taxable valuation of the township totaled \$1,182,604,100, on which ad valorem taxes levied consisted of 2.2500 mills for township operating purposes, raising \$2,660,782 for operating. This amount is recognized in the General Fund as tax revenue.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

State Construction Code Act - The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The township charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs.

The township accounts for the activity of its building inspection department within its general fund. Following is a summary of the cumulative deficit and activity for the year ended December 31, 2005:

Surplus (deficit) - December 31, 2004		\$ (237,075)
Charges for services	\$ 42,605	
Building inspection expenditures	<u>188,316</u>	<u>(145,711)</u>
Surplus (deficit) - December 31, 2005		<u>\$ (382,786)</u>

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The governing body has designated several banks for the deposit of township funds. The investment policy adopted by the township in accordance with Public Act 196 of 1997 has authorized investment in all of the State statutory authority as listed above.

The township's deposits and investment policy are in accordance with statutory authority.

At year-end, the township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and Investments	<u>\$ 6,044,195</u>	<u>\$ 3,955,279</u>	<u>\$ 1,722,172</u>	<u>\$ 11,721,646</u>

The breakdown between deposits and investments is as follows:

Bank Deposits (checking and savings accounts, certificates of deposit)	\$ 8,365,987
Investments	<u>3,355,659</u>
Total	<u>\$ 11,721,646</u>

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the township's deposits may not be returned. The township does not have a deposit policy for custodial credit risk. At year end the bank balance of the township's deposits was \$10,567,791 of which \$300,000 was covered by federal depository insurance and \$10,267,791 was exposed to custodial credit risk because it was uninsured and uncollateralized. The township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the township evaluates each financial institution with which it deposits township funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments

The township chooses to disclose its investments by utilizing the specific identification method. As of December 31, 2005 the township had the following investments.

US Treasury Note, maturing 5-15-2017	\$ 521,816
Money Market Accounts	<u>2,833,843</u>
Total	<u>\$ 3,355,659</u>

Interest rate risk. Except as limited by state law as listed in the above list of authorized investments the township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. The township has no investment policy that limits its investment choices beyond those required by state law. The township's investments in US Government Obligations are not subject to credit risk disclosure.

At year end the township had \$2,833,843 in permissible money market funds that are not separately rated.

Custodial Credit Risk-Investments. For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the township will not be able to recover the value of its investments that are in the possession of the outside party. The township has not adopted a policy for investment custodial credit risk. As of December 31, 2005, the township's \$521,816 in investments in US Treasury Notes was held by a third party in the township's name. The township's investments in money market accounts totaling \$2,833,843 are not subject to risk categorization.

Concentration of Credit Risk. State law does not limit and the township has not adopted a formal policy on the amount the township may invest in any one issuer. All investments held by the township at December 31, 2005 are either guaranteed by the US government or are in money market accounts.

B. Receivables

Receivables as of year-end for the township's individual major funds and non-major funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Water and Sewer	Ice Arena	Non-major Funds	Agency	Total
Receivables:						
Taxes	\$ 1,502,326	\$ -	\$ -	\$ -	\$ -	\$ 1,502,326
Accounts	8,015	317,065	7,487	19,324	-	351,891
Interest	99,443	-	-	-	-	99,443
Special assessments	-	579,882	-	-	-	579,882
Gross receivables	1,609,784	896,947	7,487	19,324	-	2,533,542
Less: allowance for uncollectibles	-	-	-	-	-	-
Net Total Receivables	<u>\$ 1,609,784</u>	<u>\$ 896,947</u>	<u>\$ 7,487</u>	<u>\$ 19,324</u>	<u>\$ -</u>	<u>\$ 2,533,542</u>

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	Unavailable	Unearned
Property taxes	\$ 2,871,005	\$ -
Special assessments	<u>6,570</u>	<u>-</u>
Total	<u>\$ 2,877,575</u>	<u>\$ -</u>

C. Capital Assets

Capital asset activity of the primary government for the current year was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 968,213	\$ -	\$ -	\$ 968,213
Construction in progress	-	-	-	-
Subtotal	968,213	-	-	968,213
Capital Assets Being Depreciated				
Building and improvements	6,982,113	-	-	6,982,113
Land improvements	1,706,675	17,857	-	1,724,532
Machinery and equipment	727,810	-	-	727,810
Office furniture and equipment	226,625	-	-	226,625
Vehicles	1,518,624	356,858	(14,678)	1,860,804
Infrastructure	14,232,617	631,592	-	14,864,209
Subtotal	25,394,464	1,006,307	(14,678)	26,386,093
Less Accumulated Depreciation for				
Buildings and improvements	(1,401,990)	(174,552)	-	(1,576,542)
Land improvements	(417,607)	(84,834)	-	(502,441)
Machinery and equipment	(635,783)	(25,563)	-	(661,346)
Office furniture and equipment	(213,530)	(13,095)	-	(226,625)
Vehicles	(568,354)	(101,332)	14,678	(655,008)
Infrastructure	(6,408,726)	(882,549)	-	(7,291,275)
Subtotal	(9,645,990)	(1,281,925)	14,678	(10,913,237)
Net Capital Assets Being Depreciated	<u>15,748,474</u>	<u>(275,618)</u>	<u>-</u>	<u>15,472,856</u>
Governmental Activities Total				
Capital Assets - Net of Depreciation	<u>\$ 16,716,687</u>	<u>\$ (275,618)</u>	<u>\$ -</u>	<u>\$ 16,441,069</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General government	\$ 80,711
Public safety	162,046
Public works	898,231
Community and economic development	-
Recreation and culture	<u>140,937</u>
Total	<u>\$ 1,281,925</u>

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 266,225	\$ -	\$ -	\$ 266,225
Construction in progress	2,835,861	1,870,697	(3,813,307)	893,251
Subtotal	3,102,086	1,870,697	(3,813,307)	1,159,476
Capital Assets Being Depreciated				
Ice Arena				
Buildings	7,926,891	-	-	7,926,891
Furniture and equipment	266,376	-	-	266,376
Water and Sewer				
Buildings	1,079,852	-	-	1,079,852
Furniture and equipment	94,915	-	-	94,915
Vehicles	115,074	16,937	-	132,011
Water systems	15,874,237	4,392,292	-	20,266,529
Sewer systems	31,254,689	1,784,950	-	33,039,639
Subtotal	56,612,034	6,194,179	-	62,806,213
Less Accumulated Depreciation for				
Ice Arena				
Buildings	(99,086)	(198,172)	-	(297,258)
Furniture and equipment	(13,830)	(27,660)	-	(41,490)
Water and Sewer				
Buildings	(319,003)	(53,993)	-	(372,996)
Office furniture and equipment	(31,572)	(15,836)	-	(47,408)
Vehicles	(94,529)	(10,312)	-	(104,841)
Water systems	(4,931,113)	(371,742)	-	(5,302,855)
Sewer systems	(8,541,670)	(625,094)	-	(9,166,764)
Subtotal	(14,030,803)	(1,302,809)	-	(15,333,612)
Net Capital Assets Being Depreciated	42,581,231	4,891,370	-	47,472,601
Business Type Activities Total				
Capital Assets - Net of Depreciation	<u>\$ 45,683,317</u>	<u>\$ 6,762,067</u>	<u>\$ (3,813,307)</u>	<u>\$ 48,632,077</u>

Depreciation expense was charged to business-type activities as follows:

Business-Type Activities:

Ice arena	\$ 225,832
Water and Sewer	<u>1,076,977</u>

Total	<u>\$ 1,302,809</u>
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Construction Commitments-The township has active construction projects at year-end. At year-end the township's commitments with contractors are as follows:

	Spent to Date	Remaining Committment
Water systems projects	<u>\$ 893,251</u>	<u>\$ 554,000</u>

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2005 is as follows:

Advances from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Ice Arena	<u>\$ 400,000</u>

The amount payable to the General Fund relates to a working capital loan made to the Ice Arena Fund. None of the balance is scheduled to be collected in the subsequent year.

Interfund transfers:

	<u>Transfers Out</u>		
	<u>General</u>	<u>Non-Major</u>	
Transfers In	<u>Fund</u>	<u>Governmental</u>	<u>Total</u>
General Fund	\$ -	\$ 46,385 (1)	\$ 46,385
Library Fund	540,000 (2)	-	540,000
Senior Center Fund	<u>55,753 (3)</u>	<u>-</u>	<u>55,753</u>
Total	<u>\$ 595,753</u>	<u>\$ 46,385</u>	<u>\$ 642,138</u>

The following describes the nature of significant transfers:

- (1) Transfer of Perpetual Care Fund earnings to General Fund to be used for cemetery care expenses
- (2) Transfer from General Fund to Library Fund for operating purposes
- (3) Transfer from General Fund to Senior Center Fund for operating purposes

E. Long-Term Debt

The township has no long-term debt at December 31, 2005.

Georgetown Charter Township, along with other local municipalities, purchases water from the City of Wyoming for storage and distribution to the township's customers. The City of Wyoming bills Ottawa County for this water purchase which in turn bills the individual municipalities.

Ottawa County has issued general obligation bonds to provide for the construction and acquisition of a portion of the City of Wyoming water system for the benefit of the local municipalities. Each participating municipality has pledged its full faith and credit for the payment of its respective share of contract payments to Ottawa County sufficient to pay the principal and interest on the bonds.

Separate contract payments for principal and interest on these bonds are not made by the township but instead are included as part of the overall water rate charged by Ottawa County to the township.

At December 31, 2005, the portion of these Ottawa County bonds outstanding for which the township has pledged its full faith and credit amounted to \$5,279,079.

NOTE 4. OTHER INFORMATION

A. Risk Management

The township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The township has purchased full multi-peril insurance coverage underwritten by the Michigan Township Participating Plan. The township is fully insured for workers compensation claims by coverage underwritten by the Michigan Municipal Workers Compensation Fund. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

B. Post-Employment Health Care Benefits

The township provides post-employment health care benefits to certain retired employees. For employees hired between January 1, 2001 and June 9, 2003, the Township will pay 50% of the employee's medical insurance premium for those who retire under the "80 year rule". Under the 80-year rule an employee is eligible to retire if their years of age added to their years of service equal or exceed 80 years provided they have at least twenty years of continuous service. For employees hired prior to January 1, 2001 and after January 1, 1996, the Township will pay 50% of the employee's medical insurance premium for those who retire under the "80 year rule" provided they have at least ten years of continuous service. For employees hired prior to January 1, 1996, the Township will pay the employee's medical insurance premium for those employees who either 1.) retire after the age of 62 who have been full-time employees of the township for more than 10 years; or 2.) retire under the "80 year rule".

Currently, 5 retirees receive such post-employment benefits. Expenditures for post-employment health care benefits have been recognized in the general fund as transfers are made and in the retirement benefit fund as the township makes payment of monthly premiums to the provider insurance company. During the year, expenditures of \$19,867 were recognized for post-employment insurance benefits in the retirement benefit fund.

At December 31, 1993 the township established a separate retirement benefit fund to account for monies received for and the future payment of these post-employment health care benefits.

C. Deferred Compensation Plan

The township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The assets of the plan were held in trust as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted for any other use. The Administrators are the agents of the employer for the purpose of providing direction to the custodian of the custodial accounts from time to time for the investment of the funds held in the account, transfer of the assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the township's financial statements.

D. Pension Plan

The Georgetown Charter Township Group Pension Plan is a defined contribution plan established by the township to provide benefits at retirement to employees of the township meeting length of service requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. At December 31, 2005 there were 25 plan members. No contributions are required of plan members. The township contribution is 11.5% of covered salary and amounted to \$129,102 for 2005. Plan provisions and contribution requirements are established and may be amended by the Georgetown Charter Township Board.

Required Supplementary Information

Georgetown Charter Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Taxes	\$ 2,712,160	\$ 2,712,160	\$ 2,716,623	\$ 4,463
Licenses and permits	355,375	355,758	397,552	41,794
State shared revenues	2,837,816	2,837,816	3,022,146	184,330
Charges for services	141,100	141,100	129,330	(11,770)
Fines and forfeitures	65,000	65,000	101,328	36,328
Interest	40,000	40,000	152,519	112,519
Other	91,000	91,000	130,353	39,353
Total Revenues	<u>6,242,451</u>	<u>6,242,834</u>	<u>6,649,851</u>	<u>407,017</u>
Expenditures:				
Current:				
General Government:				
Township Board	46,300	46,300	35,865	10,435
Supervisor	98,638	105,079	104,637	442
Elections	3,500	11,500	10,202	1,298
Assessor	108,015	108,015	102,827	5,188
Clerk	105,678	105,678	104,473	1,205
Board of Review	2,150	2,150	2,099	51
General administration	152,812	140,812	91,351	49,461
Treasurer	105,228	105,228	101,871	3,357
Cemetery	174,250	174,250	173,854	396
Total General Government	<u>796,571</u>	<u>799,012</u>	<u>727,179</u>	<u>71,833</u>
Public Safety:				
Sheriff E-Unit	1,202,000	1,202,000	1,110,054	91,946
School safety	55,800	55,800	55,372	428
Fire department	1,062,300	1,062,300	936,935	125,365
Building inspection	191,100	191,100	188,316	2,784
Civil defense	35,490	35,490	11,430	24,060
Total Public Safety	<u>2,546,690</u>	<u>2,546,690</u>	<u>2,302,107</u>	<u>244,583</u>
Public Works:				
Drains	203,000	203,000	21,680	181,320
Highways, streets and bridges	1,398,800	1,398,800	676,740	722,060
Street lighting	301,000	301,000	275,512	25,488
Total Public Works	<u>1,902,800</u>	<u>1,902,800</u>	<u>973,932</u>	<u>928,868</u>

Georgetown Charter Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Community and Economic Development:				
Planning Commission	50,042	50,042	47,140	2,902
Zoning Board of Appeals	8,495	8,495	4,036	4,459
Total Community and Economic Development	58,537	58,537	51,176	7,361
Recreation and Culture:				
Parks	337,400	337,400	328,261	9,139
Community projects	52,000	62,383	62,383	-
Historical society	18,700	18,700	4,407	14,293
Total Recreation and Culture	408,100	418,483	395,051	23,432
Total Expenditures	5,712,698	5,725,522	4,449,445	1,276,077
Excess Of Revenues Over Expenditures	529,753	517,312	2,200,406	1,683,094
Other Financing Sources (Uses):				
Operating transfers in	40,000	40,000	46,385	6,385
Operating transfers out	(595,753)	(595,753)	(595,753)	-
Sale of capital assets	-	-	1,678	1,678
Total Other Financing Sources (Uses)	(555,753)	(555,753)	(547,690)	8,063
Net Change in Fund Balances	(26,000)	(38,441)	1,652,716	1,691,157
Fund Balances - January 1	2,098,610	2,098,610	2,098,610	-
Fund Balances - December 31	\$ 2,072,610	\$ 2,060,169	\$ 3,751,326	\$ 1,691,157

Georgetown Charter Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - LIBRARY FUND
Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
State shared revenues	\$ 33,719	\$ 33,719	\$ 37,886	\$ 4,167
Charges for services	16,000	16,000	19,122	3,122
Fines and forfeitures	157,861	157,861	194,119	36,258
Other	5,100	5,100	12,521	7,421
Total Revenues	<u>212,680</u>	<u>212,680</u>	<u>263,648</u>	<u>50,968</u>
Expenditures:				
Current:				
Recreation and culture	<u>752,680</u>	<u>752,680</u>	<u>720,077</u>	<u>32,603</u>
Excess of Revenues				
Over (Under) Expenditures	(540,000)	(540,000)	(456,429)	83,571
Other Financing Sources:				
Operating transfers in	<u>540,000</u>	<u>540,000</u>	<u>540,000</u>	<u>-</u>
Net Change in Fund Balances	-	-	83,571	83,571
Fund Balances - January 1	<u>97,053</u>	<u>97,053</u>	<u>97,053</u>	<u>-</u>
Fund Balances - December 31	<u>\$ 97,053</u>	<u>\$ 97,053</u>	<u>\$ 180,624</u>	<u>\$ 83,571</u>

Georgetown Charter Township, Michigan
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2005

NOTE – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end. Before November 30, the proposed budget is presented to the Township Board for review. The Board holds public hearings and a final budget must be prepared and adopted no later than November 30.

The appropriated budget is prepared by fund, function, and activity. Budgetary control over expenditures is exercised by the Township Board. Appropriated budgets are amended by a majority vote of the Township Board. The legal level of budgetary control is the activity level within the fund. During the current year, the budget was amended in a legally permissible manner. Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Supplemental Data

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources other than expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

Senior Center Fund – was established to account for the revenues and expenditures of the Senior Center

Permanent Funds

Permanent Funds account for assets held by the township pursuant to a trust agreement. The principle portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

Perpetual Care Fund – was established to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the township cemetery.

Georgetown Charter Township, Michigan
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2005

	Special Revenue Fund Senior Center	Permanent Fund Perpetual Care	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 21,637	\$ 917,326	\$ 938,963
Accounts receivable	<u>19,324</u>	<u>-</u>	<u>19,324</u>
Total Assets	<u>\$ 40,961</u>	<u>\$ 917,326</u>	<u>\$ 958,287</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 6,351	\$ -	\$ 6,351
Fund Balances:			
Reserved	<u>34,610</u>	<u>917,326</u>	<u>951,936</u>
Total Liabilities and Fund Balances	<u>\$ 40,961</u>	<u>\$ 917,326</u>	<u>\$ 958,287</u>

Georgetown Charter Township, Michigan
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2005

	Special Revenue Fund <u>Senior Center</u>	Permanent Fund <u>Perpetual Care</u>	Total Nonmajor Governmental Funds
Revenues:			
State grants	\$ 41,450		\$ 41,450
Charges for services	61,863	38,900	100,763
Interest	-	46,385	46,385
Change in fair value of investments	-	(10,644)	(10,644)
Other	<u>525</u>	<u>-</u>	<u>525</u>
 Total Revenues	 103,838	 74,641	 178,479
Expenditures:			
Current:			
Recreation and culture	<u>175,333</u>	<u>-</u>	<u>175,333</u>
Excess of Revenues			
Over (Under) Expenditures	<u>(71,495)</u>	<u>74,641</u>	<u>3,146</u>
Other Financing Sources (Uses):			
Operating transfers in	55,753	-	55,753
Operating transfers out	<u>-</u>	<u>(46,385)</u>	<u>(46,385)</u>
 Total Other Financing Sources (Uses)	 <u>55,753</u>	 <u>(46,385)</u>	 <u>9,368</u>
 Net Change in Fund Balances	 (15,742)	 28,256	 12,514
 Fund Balances - January 1	 <u>50,352</u>	 <u>889,070</u>	 <u>939,422</u>
 Fund Balances - December 31	 <u>\$ 34,610</u>	 <u>\$ 917,326</u>	 <u>\$ 951,936</u>

STATISTICAL SECTION

Table 1

Georgetown Charter Township, Michigan
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION - UNAUDITED
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Community and Economic Development	Recreational And Cultural	Other	Total
1996	\$ 670,545	\$ 1,402,269	\$ 2,556,184	\$ 36,795	\$ 869,893	\$ 7,500	\$ 5,543,186
1997	714,266	2,155,801	1,836,622	44,848	796,604	7,678	5,555,819
1998	1,043,056	1,939,935	1,651,127	46,305	884,622	8,000	5,573,045
1999	748,181	3,574,383	1,108,454	44,851	851,086	8,100	6,335,055
2000	894,666	1,749,867	2,030,495	68,772	927,080	8,963	5,679,843
2001	843,521	2,139,821	1,213,973	66,298	1,444,314	8,963	5,716,890
2002	819,625	2,002,563	1,240,205	56,154	1,352,726	-	5,471,273
2003	991,135	2,107,159	1,253,680	57,548	1,628,169	-	6,037,691
2004	844,736	1,896,129	782,793	60,512	1,153,236	-	4,737,406
2005	727,179	2,302,107	973,932	51,176	1,290,461	-	5,344,855

Table 2

Georgetown Charter Township, Michigan
GENERAL GOVERNMENTAL REVENUES BY SOURCES - UNAUDITED
Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses And Permits	Grants	State Shared Revenues	Charges For Services	Fines and Forfeitures
1996	\$ 1,079,403	\$ 326,837	\$ -	\$ 1,833,599	\$ 126,945	\$ 223,308
1997	1,130,142	337,677	5,596	2,450,983	141,284	224,574
1998	1,656,867	420,651	12,000	2,305,109	153,092	210,944
1999	2,033,377	375,723	-	2,529,473	151,588	234,601
2000	2,162,171	389,122	25,920	2,670,104	147,332	242,113
2001	2,345,542	622,900	3,307	3,760,171	167,644	242,415
2002	2,517,996	626,311	46,037	3,501,380	249,563	281,828
2003	2,685,913	663,512	150,617	3,224,319	233,855	259,741
2004	2,822,024	403,159	47,537	3,029,132	277,534	261,168
2005	2,716,623	397,552	41,450	3,060,032	249,215	295,447

Interest	Other	Total
\$ 323,596	\$ 55,305	\$ 3,968,993
221,046	76,680	4,587,982
148,627	89,184	4,996,474
204,550	1,438,808	6,968,120
219,128	111,142	5,967,032
273,730	137,646	7,553,355
224,497	168,962	7,616,574
155,014	272,026	7,644,997
99,027	145,186	7,084,767
188,260	143,399	7,091,978

Table 3

Georgetown Charter Township, Michigan
PROPERTY TAX LEVIES AND COLLECTIONS - UNAUDITED
Last Ten Fiscal Years

Fiscal Year Ended December 31 *	Tax Levy	Collections to March 1, Year Following Levy	
		Amount	%
1996	\$ 16,232,135	\$ 15,804,933	97.37
1997	18,610,036	18,200,244	97.80
1998	20,326,444	19,811,880	97.47
1999	22,021,341	21,329,534	96.86
2000	24,074,043	23,426,819	97.31
2001	25,512,127	24,676,778	96.73
2002	27,200,353	26,392,702	97.03
2003	29,647,615	28,705,682	96.82
2004	30,047,965	29,157,068	97.04
2005	32,942,827	32,329,468	98.14

* Taxes levied on December 1 of prior year.

Georgetown Charter Township, Michigan
 STATE EQUALIZED VALUE (1) OF TAXABLE PROPERTY - UNAUDITED
 Last Ten Fiscal Years

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>
1996	\$ 689,774,807	\$ 33,739,961	\$ 723,514,768
1997	766,660,482	33,855,700	800,516,182
1998	850,496,074	35,513,128	886,009,202
1999	923,877,503	38,682,468	962,559,971
2000	1,005,170,850	41,349,300	1,046,520,150
2001	1,100,610,466	43,863,200	1,144,473,666
2002	1,184,887,022	44,280,300	1,229,167,322
2003	1,260,950,068	40,979,800	1,301,929,868
2004	1,327,628,621	39,854,700	1,367,483,321
2005	1,424,627,873	40,084,200	1,464,712,073

Note:

- (1) Assessed values are established annually by the county and equalized by the state. State equalized values represent 50% of market value as determined by the State Tax Commission on the fourth Monday in May of each year.

Table 5

Georgetown Charter Township, Michigan
 COMPONENTS OF STATE EQUALIZED VALUE - UNAUDITED
 Last Ten Fiscal Years

Year	Agricultural	Commercial	Industrial	Residential	Total Real
1996	\$ 7,047,008	\$ 87,904,412	\$ 11,820,892	\$ 583,002,495	\$ 689,774,807
1997	7,083,315	96,751,408	14,709,470	648,116,289	766,660,482
1998	9,416,011	100,666,861	19,273,869	721,139,333	850,496,074
1999	8,302,791	103,993,602	21,544,087	790,037,023	923,877,503
2000	8,471,637	114,302,567	24,017,959	858,378,687	1,005,170,850
2001	8,969,381	115,624,897	29,306,668	946,709,520	1,100,610,466
2002	9,572,750	121,460,661	31,526,374	1,022,327,237	1,184,887,022
2003	6,437,609	123,214,716	33,143,189	1,098,154,554	1,260,950,068
2004	6,315,627	123,841,331	34,084,965	1,163,386,698	1,327,628,621
2005	6,839,167	136,432,397	33,260,749	1,248,095,560	1,424,627,873

<u>Total Personal</u>	<u>Total SEV</u>
\$ 33,739,961	\$ 723,514,768
33,855,700	800,516,182
35,513,128	886,009,202
38,682,468	962,559,971
41,349,300	1,046,520,150
43,863,200	1,144,473,666
44,280,300	1,229,167,322
40,979,800	1,301,929,868
39,854,700	1,367,483,321
40,084,200	1,464,712,073

Table 6

Georgetown Charter Township, Michigan
MAJOR TAXPAYERS - UNAUDITED

Taxpayer	Principal Product/Service	2005 Taxable Value	Percent Of Total 2005 Taxable Value
Consumers Energy	Utility	\$ 8,869,976	0.75%
BBG Corporation	Apartments	6,769,603	0.57%
Michigan Consolidated Gas	Utility	5,873,112	0.50%
Brookmeadow No. 2	Apartments	5,766,445	0.49%
Brookmeadow Ltd Partners	Apartments	4,098,617	0.35%
Meijer Inc.	Retail Store	3,837,671	0.32%
RiverView Associates	Apartments	3,332,283	0.28%
KM Jenison LLC	Retail	2,875,030	0.24%
Nu-Wool Co Inc	Industrial Processing	2,826,915	0.24%
Dayton Hudson Corp	Retail-Target	2,808,621	0.24%

Table 7

Georgetown Charter Township, Michigan
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS - UNAUDITED
Last Ten Fiscal Years

<u>Year</u>	<u>Georgetown Township Operating</u>	<u>Michigan State Education</u>	<u>Ottawa County Operating & E-911</u>	<u>School District Operating and Debt</u>	<u>Intermediate District Operating, Debt and Special Ed</u>	<u>Totals</u>
1996	1.6050	6.0000	4.7165	23.9500	3.4730	39.7445
1997	2.2050	6.0000	4.6985	23.9500	3.4664	40.3199
1998	2.5050	6.0000	4.8040	23.9500	3.4588	40.7178
1999	2.5050	6.0000	4.3812	23.9500	4.3353	41.1715
2000	2.5000	6.0000	4.3760	23.8960	4.2999	41.0719
2001	2.5000	6.0000	4.2722	23.7520	4.2854	40.8096
2002	2.5000	6.0000	4.1672	25.0020	4.2688	41.9380
2003	2.5000	5.0000	4.1611	25.2000	4.2305	41.0916
2004	2.2500	6.0000	4.2593	25.2000	4.2192	41.9285
2005	2.2500	6.0000	4.2579	25.2000	4.2109	41.9188

Notes:

- (1) Georgetown Charter Township is situated within the boundaries of several school districts. The Jenison School District tax rates were selected for use in this table.
- (2) The 1996 - 2005 School District Operating and Debt rate includes 18.0000 mills which is levied on non-homestead property only.

Table 8

Georgetown Charter Township, Michigan
 RATIO OF NET GENERAL BONDED DEBT
 TO STATE EQUALIZED VALUE - UNAUDITED
 Last Ten Fiscal Years

Fiscal Year	State Equalized Valuation (2) (in Thousands)	Gross Bonded Debt (1) (in Thousands)	Debt Service Monies Available (in Thousands)	Net Bonded Debt (in Thousands)	Ratio Of Net Bonded Debt To State Equalized Value
1996	\$ 646,774	\$ 60	\$ -	\$ 60	0.01
1997	723,515	-	-	-	-
1998	800,516	-	-	-	-
1999	886,009	-	-	-	-
2000	962,560	-	-	-	-
2001	1,046,520	-	-	-	-
2002	1,144,474	-	-	-	-
2003	1,229,167	-	-	-	-
2004	1,301,930	-	-	-	-
2005	1,367,483	-	-	-	-

Notes:

(1) Includes all long-term general obligation bonded debt.

(2) State equalized value is for prior year.

Georgetown Charter Township, Michigan
 BONDED INDEBTEDNESS SUMMARY - UNAUDITED

Direct Bonded Indebtedness
 as of December 31, 2005

Act 342 Water and Sewer Bonds	\$	5,279,079	(Township's share of Ottawa County bonds)
Net Direct Debt	\$	5,279,079	

Overlapping Bonded Indebtedness
 as of December 31, 2004

Municipality	Total		Georgetown Township's Share		
	Taxable Value	Debt	Taxable Value	%	Debt
Jenison School District	\$ 737,919,605	\$ 52,730,000	\$ 737,919,605	100.00%	\$ 52,730,000
Hudsonville School District	1,020,086,945	78,669,940	498,825,060	48.90%	38,469,797
Grandville School District	1,279,641,835	44,615,000	36,712,987	2.87%	1,280,007
Ottawa County at Large	8,503,786,076	23,230,000	1,273,457,652	14.98%	3,478,735
Ottawa Intermediate District	9,676,171,976	7,815,000	1,236,744,665	12.78%	998,862
Kent Intermediate District	19,544,726,521	-	36,712,987	0.19%	-
Grand Rapids Community College	19,544,726,521	57,460,000	36,712,987	0.19%	107,933
Net Overlapping Debt					97,065,334
Net Direct and Overlapping Debt					102,344,413

Summary of Direct and Overlapping Debt

Population estimate	45,800
Actual Valuation (True Cash Value)	\$ 2,929,424,146
SEV	\$ 1,464,712,073
Taxable Value	\$ 1,273,457,652
Per Capita SEV	31,981
Per Capita Taxable Valuation	27,805
Net Direct Debt	\$ 5,279,079
Per Capita	\$ 115.26
Ratio to True Cash Value	0.18%
Ratio to SEV	0.36%
Ratio to Taxable Value	0.41%
Net Direct And Overlapping Debt	\$ 102,344,413
Per Capita	\$ 2,234.59
Ratio to true cash value	3.49%
Ratio to SEV	6.99%
Ratio to taxable value	8.04%

The Township has never defaulted on payment of its bonded indebtedness.

Georgetown Charter Township, Michigan
 CONSTRUCTION PERMIT VALUES - UNAUDITED
 Last Ten Fiscal Years

Year Ended December 31	Commercial Construction (1)		Residential Construction (1)	
	Number Of Units	Value	Number Of Units	Value
1996	46	\$ 8,637,700	533	\$ 46,455,895
1997	23	8,580,527	589	52,899,609
1998	72	16,771,764	569	48,853,034
1999	73	17,617,192	609	49,036,065
2000	34	10,706,820	528	50,243,114
2001	11	8,375,740	258	39,400,421
2002	10	2,042,605	283	46,982,298
2003	11	2,167,109	315	52,377,441
2004	34	10,091,700	369	63,214,948
2005	19	4,163,400	323	54,117,425

Note:

- (1) Includes additions, remodeling and new construction 1996 - 2000
 Includes only new construction 2001 - 2005

Information for this table provided by the Township Building department.